

Issue # 10

November 10, 2007

The Monthly Minute

with State Senator John Pappageorge

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REPEALING THE TAX ON SERVICES & REFORMING LEGISLATIVE BENEFITS

Dear Friend:

As I reflect on the past couple of months, I realize the news that has been coming out of Lansing has been grim. Two separate parties, each controlling half of the legislature, have had to come together to create a budget solution that works for the whole state. Unfortunately, we all witnessed the battle that almost drove the state to a government shutdown. In the end, the income tax was increased and the new 6% tax on services was passed into law.

Since that time, I have heard from numerous constituents who are frustrated with the result. Recently, the Senate Finance Committee held testimony on the new tax on services. We heard over and over again from struggling business owners who would be forced to either close up shop entirely or make dramatic cuts in personnel. This, of course, would only serve to worsen our state's already ailing economy.

As you know, I have opposed the tax increases from the beginning. The tax on services simply does not make sense. We should be encouraging businesses to come to this state by making it a more business friendly environment. This tax does just the opposite. This is the truth that drove me and others to support a repeal of the tax on services. I co-sponsored Senate Bill (SB) 838, which will eliminate the tax before it ever goes into effect.

SB 838 recently passed the Senate with Republican support. The House of Representatives recently passed their own repeal that would replace the services tax with a permanent surcharge on the Michigan Business Tax. While we seem to agree that the tax on services must be repealed, we are still discussing the best way to make up the lost revenue. I, of course, will continue to advocate reigning in government spending and making structural reforms.

In addition to the tax repeal, my colleagues and I in the Senate have been working on a plan to scale back legislative salaries and benefits. Senate Bill (SB) 868 proposes to put future lawmakers on a graded system similar to that which new school teachers will receive. Under this proposal, lawmakers will have to earn their benefits over time. A legislator will have to serve for four years before entering the system, and will only be eligible for 30% at that time. This will achieve significant cost-savings over the years to come. SB 869 establishes the same policy for the Governor, Lieutenant Governor and other officials. Both bills recently passed the Senate and are now before the House of Representatives.

In addition, I co-sponsored a resolution that urges the State Officers Compensation Committee to implement a 5% pay reduction for legislators, the Governor, and other elected officials at their next meeting. This resolution has also passed the Senate.

There is no doubt that the repeal of the tax on services and changes to legislative pay and benefits are important to the success of this state. As your Senator, I will continue to work to bring positive change to Michigan.

Sincerely

A handwritten signature in dark ink, appearing to read "John Pappageorge". The signature is written in a cursive, flowing style.

John Pappageorge

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Senator Pappageorge Spares Locals from Revenue Sharing Cuts

Under the 2007-2008 fiscal year budget agreement, local cities, villages and townships are spared from revenue sharing cuts. The budget agreement stipulates that local entities will receive the same level of funding as the 2006-2007 fiscal year.

"While we continue to struggle economically in this state, it is unfair to balance the budget on the backs of our locals year after year," Pappageorge said. "They have endured their fair share of cuts and enough is enough."

Pappageorge is the chair of the Senate Appropriations Subcom-

mittee on General Government and chaired the conference committee charged with reconciling differences between the Senate and House-passed versions of his Senate Bill 229.

The General Government budget consists of 10 state government departments, including the Attorney General, Civil Rights, Civil Service, Executive, Information Technology, Legislature, Legislative Auditor General, Management and Budget, State and Treasury. It also includes revenue sharing.

Each department budget, after allowing for inflation, was cut by

2.5 percent - allowing for slightly lower economic increases to occur.

The Michigan Strategic Fund, which provides funding for the Michigan Economic Development Corp., was also incorporated into the General Government budget.

SB 229 passed both the Senate and the House and was signed by the Governor on October 31st, 2007.



Senator Pappageorge Co-Sponsors Anti-Terror Legislation

A legislative package requiring state funds be divested from companies engaging in business with terrorist countries received testimony at the state capitol recently.

"State funds should not be invested in companies that do business with the terrorist countries our men and women in uniform are fighting," said Pappageorge, member of the Senate Homeland Security and Emerging Technologies Committee. "We should invest our money wisely and make sure it is not supporting our enemies."

Under the proposed legislation, Michigan funds would be divested from companies that actively engage in business with terrorist countries designated by the U.S. State Department. The five na-

tions that currently meet this definition are: Cuba, Iran, North Korea, Sudan and Syria.

The Senate package will require the Michigan Department of Treasury to establish a public Web site identifying the names of companies conducting business with terrorist countries.

A recent survey by Luntz-Maslansky Strategic Research indicated that 81 percent of Americans believe that the public pension funds of government employees "definitely should not" be invested in companies that do business with countries that sponsor terrorism.

Florida passed a law similar to Michigan's divestment proposal earlier this year. Thanks to such a

measure, the state treasurer discovered that \$1 billion of Florida's \$150 billion pension fund was invested in companies conducting business with Sudan's and Iran's energy sectors.

At least 16 other states have enacted divestment measures and approximately 28 other states are considering such legislation.

This is not the first time the Michigan Legislature has participated in a divestment campaign. Michigan divested from companies doing business in South Africa during the 1980s due to the long-standing practice of apartheid.

The Senate Committee on Homeland Security and Emerging Technologies began testimony on the bills last week.

HONORING OUR NATION'S HEROS

THIS MONTH WE REMEMBER WITH GRATITUDE THE
VETERANS WHO ANSWERED OUR NATION'S CALL TO DUTY IN THE QUEST FOR
PEACE AND FREEDOM AT HOME

PROTECTING THOSE WHO PROTECT US

Michigan's military veterans who served in Iraq and Afghanistan are the focus of a comprehensive, bipartisan initiative working its way through the Legislature. This far-reaching legislation protects property, provides business opportunities, and offers college opportunities for our servicemen and women.

Key parts of the plan would:

- Establish a "Michigan Patriot Business" designation for companies with at least a 50 percent ownership by an active service member or veteran of the wars in Iraq or Afghanistan.
- Increase disabled veterans preference in state purchasing from 3 percent to 5 percent.
- Prohibit lapse of life insurance policies for active duty military.
- Safeguard property of military personnel from sale or foreclosure while serving and for 6 months after return from active duty.
- Require schools to give excused absence to students attending events for their returning or departing parents.
- Grant family of service members stationed in Michigan residency status for college tuition.
- Allow children of active military who are transferred out of state to retain residency for college tuition.
- Establish a Disabled Veteran Tuition Assistance program.

Our veterans performed their mission while serving on the battlefield overseas. This legislation aims to support them in their return home. Follow the status of Senate Bills 731-756 at www.michiganlegislature.org.

RESOURCES

- Access the latest information on veterans benefits and assistance at the U.S. Department of Veterans Affairs website at www.va.gov. Or call toll-free 1-800-827-1000.
- Stay on top of veterans issues. For an online directory of dozens of veterans service organizations, visit www.va.gov/vso/.
- Have a question about veterans employment and training? Call 1-800-455-5228.
- Keep up to date on homeland security issues at www.michigan.gov/homeland.
- Follow news about the troops on the frontlines in the global war on terrorism at www.DefendAmerica.mil.
- Check the online business directory for a list of Michigan companies involved in homeland security at www.michigan.org/medc/ttc/HomelandSecurity/.

Thank you for your service!
America's Living Veterans

World War I.....	4
World War II.....	2,914,000
Korean War.....	2,970,000
Vietnam War.....	7,230,600
Gulf War.....	2,271,000

Department of Veterans Affairs 2007

SENATOR PAPPAGEORGE IN THE DISTRICT

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Senator Pappageorge or a representative will be visiting senior centers periodically to give local seniors the opportunity to discuss their concerns with the Senator and his staff. Below is the current schedule.

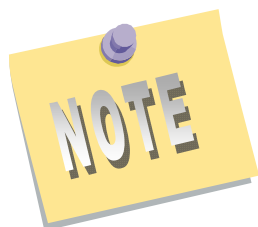
- 11/12—Troy Senior Center (3179 Livernois, Room 404) 11:00 am-12:00 pm
- 11/26— Madison Heights Senior Center (29448 John R. Road) 10:30 am–12:00 pm
- 11/26— Birmingham Senior Center (2121 Midvale Avenue) 11:30 am-12:30 pm
- 12/03--Royal Oak Mahany/Meininger Senior Community Senior Center (3500 Marais Road) 11:45 am -12:45 pm

Events



Senator Pappageorge will be participating in the Royal Oak Holiday Magic Parade on November 17th, 2007. The parade starts at 10:00 am at Washington and Lincoln. It proceeds north on Washington to Fourth Street. For more details, contact the office or visit www.downtownroyaloak.org.

Office Hours



Due to the holidays, November and December office hours will not be held on the last Saturday of the month. Office Hours will be on Saturday, December 8th, at the following locations:

- Troy Community Center (3179 Livernois) 9:00 am-11:00 am
- Baldwin Public Library-Birmingham (300 W. Merrill) 12:00 pm-2:00 pm
- Salter Community Center-Royal Oak (1545 E. Lincoln) 3:00 pm-5:00 pm

Questions or Comments?

If you have any questions or comments regarding information in this newsletter, or wish to be removed from or added to the mailing list, please contact my office at the following information:

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